

FINANCIAL AND COMMERCIAL RAILROAD AND OTHER BONDS.

SATURDAY, February 11.

The very large number of people in the financial district who have sold their stocks during the period of market hesitation in the present week and have expressed themselves desirous of receiving further encouraging news regarding the business situation before they repurchase them may perhaps find cause for serious reflection in the statement given out by the Government to-day as to the country's export trade in domestic products in the month of January. The increase in the exportation of foodstuffs, meat, cotton and the like here set forth outruns all previous anticipation. It is \$106,132,628, as against \$66,512,668 last year and \$88,668,668 in 1909. It does not at all diminish the extraordinarily favorable character of this statement to say that it was largely due to the increase this year in the country's sales abroad of cotton. The increase in our cotton exports has been a matter of steady development for years back, and while varying slightly from time to time its continuous tendency has been toward enlargement. It will be recalled that a year ago at this time not only were our exports diminished—as shown by the figures quoted above—but our imports were enlarged. The scattered returns that have come to hand indicate plainly that since January 1 in the present year imports have heavily decreased. Therefore another excellent foreign import and export statement for the month of January due about ten days or two weeks hence is practically guaranteed. To-day's weekly bank statement was of more noncommercial sort than any that has appeared in recent weeks, exhibiting a small increase in the average surplus and a small decrease in the actual surplus. The actual surplus reserve is now \$56,183,125, as against \$57,821,000 last week and \$50,611,225 last year. The stock market itself throughout the day presented small matter for consideration. It sagged a little at first, but rose rapidly in the last few minutes of trading. Two especial features of strength were the consolidated Gas and Canadian Pacific shares.

The general characteristic of the stock market proper in the present week has been dullness as compared with the activity of the preceding weeks and large selling of stocks to take profits by speculators of both greater and lesser caliber. It is probably an almost universal desire of speculative Wall Street at the present time to see a decline in market prices, not because heavy commitments for the fall are outstanding, but because stocks have been sold and there is a wish to get them back if possible at lower levels. Much has been made of the old argument that purchases of securities ought not to be made pending the decisions of the Supreme Court and of the Interstate Commerce Commission in the important cases now before them, and a great deal of stress is laid upon the fact that it is highly necessary that the country should have good crops and that it will be a long time yet before certainty on this point can be assured. On the other hand, those having access to the opinions of conservative banking interests are aware that optimism in these quarters is constantly on the increase. So far as developed the crop outlook is good. It is coming to be realized that neither the Supreme Court nor the Interstate Commerce Commission is likely to deal a blow at the business interests of the land and that these bodies cannot if they would make an actual destruction of the property that belongs to the shareholders. More and more the real financial leaders are becoming impressed with the great resilience of the state of industry in the country and the prospect for good general business in the coming year, always assuming that no unexpected disaster occurs. The real interest in the security market last week lay in the movement of bonds and investment securities and not in stocks. Despite the large volume of new offerings of securities in the month of January and during the whole year to date the market for these issues is in no way yet chilled and prices for high-grade investment stocks and bonds are still rising. The New York city 4 per cent bonds are now selling nearly a full point above the price at which they were taken by subscribers, and this is a novelty in the course of the market for these issues as witnessed in recent years. The full result of the financing arrangements that have been accomplished by railroad and other companies since January 1 and are still going on may not be seen for some time but it will surely be apparent in due course. All the companies that have been able to secure this money have done so for the purpose of spending it on purchases of material largely of iron and steel and the mills and factories of the country will soon reflect the effect.

Another beautiful development of the week was the continued fall in the price of a great many commodities that through last year were the subject of an inflated speculation for the rise. The help to business of this decline cannot be overestimated, and that the business world itself is feeling the impetus of improvement is now beyond question. According to the *Financial Chronicle*, the clearing house reports last week in the leading cities of the country, including New York, increased 4.3 per cent., and computing those outside of New York the increase was much larger. A harder tendency in local time money rates has lately been noticed, owing chiefly to the disparity still existing between the prices for time accommodation here and in England, which has led in substance to an extension of credit by this city to London. This disparity is not likely to last, however, inasmuch as the plethora of money in London is increasing. The extremely favorable statement of the Bank of England this week and the probability that the bank will on Monday be once more a large gainer of money from its purchases of the new gold offered from the Transvaal makes it clear that a further reduction in the bank's discount rate is reasonably near at hand.

New York Stock Exchange Sales, Feb. 11.

CLOSING PRICES OF UNITED STATES GOVERNMENT BONDS.

Feb. 10, 1911. 1911. 48. 1911. 11. 1911.

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